

BEFORE
THE PUBLIC SERVICE COMMISSION OF
SOUTH CAROLINA
DOCKET NO. 2014-346-WS

IN RE:

Application of Daufuskie Island Utility
Company, Inc. for Approval of an
Adjustment for Water and Sewer
Rates, Terms, and Conditions

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RESPONSE TO STATUS REPORT

Haig Point Club and Community Association, Inc. (“HPCCA”), Melrose Property Owner’s Association, Inc. (“MPOA”), and Bloody Point Property Owner’s Association (“BPPOA”) (together “POAs”) hereby respond briefly to the Status Report filed by Daufuskie Island Utility Company, Inc. (“DIUC”) on May 3, 2017. As set out herein, the POAs request that the Commission require DIUC to provide more information to the Commission and the parties **no later than June 1st** in order to ensure that the customers of the POAs are adequately protected as required by S.C. Code Ann. § 58-5-240(D).

1. The Surety Bond (**Exhibit One**), required by the Commission in Order No. 2016-156, is in the amount of \$787,867, bears an effective date of July 1, 2016, and has a term of one year (expiring on June 30, 2017).

2. DIUC indicates it intends to “initiate action to renew” the Surety Bond. (Status Report at Page One). As set out in the Surety Bond, “the bond is for the term beginning July 1, 2016 and ending June 30, 2017, but may be extended by continuation certificate executed by the Surety, at the option of the Surety.”

3. If DIUC intends to “extend” the Surety Bond, presumably the new term for the Surety Bond following such an extension would be “beginning July 1, 2016 and ending June 30, 2018,” reflecting both an extension of the term of the Surety Bond and the fact, as represented by counsel for DIUC, that “the bond can only be purchased in one-year increments” However, the Status Letter is unclear on this point.

4. If indeed the process set forth in the previous paragraph is what DIUC will follow in obtaining an extension that will in essence make the Surety Bond a “two-year bond” as opposed to a “one-year bond”, then the POAs request that the Commission require the following from DIUC, in order to ensure that the interests of property owners are protected:

a. Confirm that the amount of the “New Surety Bond” will equal twice the current Surety Bond amount, or \$1,575,734, and that the New Bond will cover a two-year time period, (from July 1, 2016 to June 30, 2018);

b. Alternatively, if the “renewal” of the Surety Bond will reflect a different arrangement¹ (e.g. the current Surety Bond will remain in place covering the current time period, and a new bond will be put into place to cover the time period July 1, 2017-June 30, 2018), then confirm that arrangement and specifically that the bond arrangement will cover the appropriate time periods with the appropriate amounts.

c. Confirm that the Surety is willing to extend/continue the Surety Bond for the additional year and at the amount in question. Specifically, DIUC must provide the Commission and the parties with a letter from the Surety confirming that the Surety will provide a continuation certificate extending the Surety Bond for an additional year and adjusting the bond amount to

¹ Of course, should DIUC decide to charge the rates approved by the Commission in this Docket beyond July 1, 2017, then presumably no Bond would need to extend beyond June 30, 2017. However, in that event DIUC must warrant to this Commission and the parties that the Surety Bond (or any extension thereof) would continue to apply to the period from July 1, 2016 to June 30, 2017.

\$1,575,734 (or the functional equivalent as described above), upon payment of a specifically disclosed premium.

- d. Confirm that DIUC has the ability to pay any required premium.

For the foregoing reasons, the POAs request that the Commission require the above from DIUC no later than June 1st, and grant such other relief as is just and proper.

Respectfully submitted,

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May 15, 2017
Columbia, South Carolina

**BEFORE
THE PUBLIC SERVICE COMMISSION OF
SOUTH CAROLINA
DOCKET NO. 2014-346-WS**

RE:

Application of Daufuskie Island Utility)	
Company, Inc. for Approval of an)	CERTIFICATE OF SERVICE
Adjustment for Water and Sewer)	
Rates, Terms, and Conditions)	

This is to certify that I have caused to be served the Response to Status Report of Haig Point Club and Community Association, Inc. ("HPCCA"), Melrose Property Owner's Association, Inc. ("MPOA"), and Bloody Point Property Owner's Association ("BPPOA") via electronic mail service as follows:

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s/John J. Pringle, Jr.
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May 15, 2017
Columbia, South Carolina